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DATE: May 10, 2001

STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

COMPLIANCE ORDER REVIEW

In the Matter of: Whitewater Rock & Supply Company Painted Hills Mine California Mine ID No. 91-33-0003

Notice of Violation: Failure to provide evidence of adequate financial assurances in the form of a revised financial assurance cost estimate.

Order: Provide a complete financial assurance cost estimate by 5:00 P. M. April 23, 2001 or invoke a \$200 per day administrative penalty assessment.

Past SMGB Actions on this Review: SMGB issued Order on March 8, 2001

Considerations of the SMGB:

<u>Public Resources Code § 2774.1(a)</u> The board when acting as lead agency, or the director, may issue orders to comply with the Act;

<u>Public Resources Code § 2774.1(b)</u> Any order of the board or the director does not become effective until a public hearing is conducted by the board concerning the alleged violations.

<u>Public Resources Code § 671:</u> The director shall have no power to amend or repeal any order, ruling, or directive of the board.

The SMGB is to determine the following:

FIRST: Based on evidence presented, were the statements of

violations in the Director's or Board's Order substantially true and correct at the time of issuance of the Order;

SECOND: If the statements of violations contained in the Order were

substantially true and correct at the time of issuance, the Board shall sustain the Order as issued and announce an

Effective Date for the Order;

THIRD: If the statements of violations contained in the Order were

NOT substantially true and correct at the time of issuance, the Board shall indicate specifically which allegations

were incorrect, remand the order back to the Director or the

Board for corrections, and shall not set an Effective Date for the Order.